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EXAMINER				
DASS, HARISH T				
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3692				
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05/09/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

## Application No.

09/877,439

## Applicant(s)

REICH ET AL.

## Examiner

Harish T. Dass

## Art Unit

3692

**Period for Reply** -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 09 January 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-34 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-34 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- Paper No(s)/Mail Date: \_\_\_\_\_

- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date: \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. This office action is in response to Applicant's communication filed on 1/9/2008.

#### ***Status of Claims:***

Claims 1-34 are pending and remain rejected.

#### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-2 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar (US 5,893,079) in view of Rhonda Bissig (Merrill, ex-broker hit with multi-million dollar lawsuit in N.H. Rhonda Bissig. Wall Street Letter. New York: Feb 7, 2000. Vol. 32, Iss. 6; pg. 1, 2 pgs) – hereinafter Bissig.

Re. Claim 1, Cwenar discloses receiving a compliance request having an associated party and indicating a particular instrument associated with an issuer [Abstract; col. 1 lines 11-20]; (b) retrieving restrictions associated with the particular instrument from a collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11 line 34 to col. 12 line 48 – violation of rules]; (c) accessing a compliance rule set identifying at least one compliance rule selected in accordance with a profile associated with the

party [col. 10 lines 23-35 – “rules have been established with respect to a specific user”], (d) evaluating at least a portion of the rules in the compliance rule set using the retrieved restrictions to determine if the request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48]; and (e) outputting a message in electronic form indicating a compliance condition in accordance with results of the evaluating step [col. 2 lines 42-51; col. 3 lines 17-18 (provide a system which delivers timely, accurate investment data ...)].

Cwenar does not explicitly disclose the profile reflecting at least the relationship between the party and the entity. However, Bissig discloses this feature [see pages 1 & 2, the article shows the relationship of agent with brokerage firm “David allegedly engaged in trading activities that are a violation of both Merrill and industry compliance rules. ... David's alleged relationship with Canadian mining company Naxos Resources. ...”]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar and include profile reflecting at least the relationship between the party and the entity, as disclosed by Bissig to provide system to monitor the violation and compliance rule with respect to the party engaged in trade who has relation ship with entity and provide preventive steps for unauthorized and fraudulent transaction by party who has relationship with firm.

Re. Claim 2, Cwenar discloses wherein each compliance rule has an associated priority, the priority indicating an order in which the rules are applied during the

evaluating step [col. 2 lines 41-51].

Re. Claims 16 and 21, claims 16 and 21 are rejected with same rational & analysis as claim 1.

3. Claims 3-15, 17-20, 22-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar and Bissig as applied to claims 1 and 2, and further in view of Applicant's Admitted Prior Art (APA).

Re. Claims 3-15, Cwenar discloses real-time high speed data processing for rule-based compliance, review and determination of a proposed transaction for violation, database and tables (setting up database, user privileges, access permission/restriction to a table is inherent in database setup "access group") [Figures 4-6; col. 2 line 41 to col. 3 line 2, col. 11 line 34 to col. 12 line 38; col. 13 lines 14-16]. Cwenar or Bissig *does not explicitly disclose* wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list.

The restrictions are indicated in at least a first list and restrictions in the first list have an associated severity level; the step of retrieving comprising retrieving restrictions from the first list wherein, if a plurality of restrictions associated with the particular

instrument is in the first list, retrieving from the first list only the restriction associated with the particular instrument having the highest severity level; wherein restrictions are transaction restrictions and each restriction has an associated severity level selected from a group comprising at least one of a low severity indicating that transactions are permitted for a party in a first category and not permitted for a party in a second category, and a high severity indicating that transactions are not permitted for any party. Wherein the first category comprise customers of the entity and the second category comprises employees of the entity. wherein the severity group further comprises a medium severity indicating that transactions are permitted only with additional approval. wherein the step of accessing a compliance rule set comprises: accessing a baseline rule set; accessing at least one additional rule set selected in accordance with the party profile; and combining the accessed baseline rule set and the at least one additional rule set to form the compliance rule set. accessing rule exception data selected in accordance with the party profile; and removing rules from the compliance rule set in accordance with the rule exception data. wherein the request is received from the party and the message is sent to the party. wherein the request is received from an electronic trading system and the output message is sent to the electronic trading system, logging requests where a determination is made that the request violates the restrictions; re-executing steps (b)-(d) on a periodic basis for logged requests; if a re-execution indicates that a particular logged request does not violate the restrictions, outputting a message indicating the request approval, wherein the entity comprises a company and the

party comprises one of an employee of the company, a customer of the company, and the company, wherein the compliance request comprises an electronic document containing data indicating a company name; the method further comprising the steps of extracting the company name from the document and mapping the extracted company name to an associated instrument and step of embedding the compliance condition message in a representation of the document.

However, APA discloses wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list [page 2 line 8-17]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar or Bissig and include wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list, as disclosed by APA, to allow the financial institution to provide the public information about securities which are required by SEC for investor to know and restrict proprietary information from public which are essential to company only to avoid fraud and tampering with company database or operation.

Further, database administration, account setup, logging into database, accessing database, access privileges to database and tables based on severity level,

groups, category, etc are old and will known. Where these access privileges are set based on the business choices, interaction with public, management practices, etc. Database engines or software inherently allow these schemas to be embedded in software design or administrative procedures. For example: employee database of a company online, where every body can find the employee name, rank and telephone number, PTO employee locator, while a manager of a group can access some of the employee information in his group which is not available to public (logging to his company system based on his access privilege can check his staffs), e.g., salary, home address, where HR manager can access the entire database for all employee and every information available for employee but not the finance part of the company, etc.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar, Bissig, and APA and include different set of database access privileges for database users to provide users with the information they are allow to know and at the same time protect the business confidential information to reach unauthorized users who not suppose to have access to them.

4. Re. Claims 17-20, 22-34, 17-20, 22-34 having substantially similar limitations as claims 3-15 and are rejected with same rationales as rejection of claims 3-15.



***Response to Arguments***

5. Applicant's arguments with respect to claims (1/9/2008) have been considered but are not .

***In response to applicant's argument recitation*** (page 11 of remarks) "Applicants submit that the cited references, taken either alone or in combination, in no way teach, disclose, or suggest at least retrieving restrictions associated with the particular instrument ... as recited in independent claim 1." Per MPEP Applicant has to consider fully the entire references as potentially teaching of all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner. It appears that the applicant response is based on just reading of the references (few lines) provided by the Examiner (word by word) not the concepts or teaching (explicitly or implicitly) disclosed by the (patent) Cwener's compliance method/system, (Non-Patent Literature) Bissig's computer compliance programs and APA. In response to applicant's argument that Cwener is non-analogous art, the reading of entire patent it is clear and obvious to the examiner that it is an analogous art.

***In response to applicant's argument of limitations*** "In the October 9, 2007 Office Action, the Examiner asserts, "Cwener discloses (b) retrieving restrictions associated with the particular instrument from a collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11 line 34 to col. 12 line 48 - violation of rules ...]"

Please read at least col. 5 lines 22-26 "Among the functions of the central database (collection of data fields, comments, rules, tables, etc - obvious

to one skill in the art of database) are **to store, retrieve and manipulate investment data** (it would have been obvious to a person having ordinary skill in the art that the investment data relates to financial instrument associated with investor), check security, **enforce constraints** (restrictions, limitations), ... **queries, ... triggers** ... define event, for example." and following paragraph lines 27-43 "... **users** (party) ... **proposed trade** ... **holding of mutual fund** (financial instrument associated with investor - for example sector specific mutual fund) ..." See col. 12 lines 28-48 "**mutual fund**" ... "**particular fund manager**" and col. 13 lines col. 13 lines 43-51 "**Similarly, a fictitious fund ... segments of an individual mutual fund ... a particular type of investment ... government bonds ... IBM ... as a fund.**" which are obvious references to a particular instrument.

***In response to applicant's argument regarding recitation "whereby transactions are compared against legal and business preference rules. The rules in this figure, ... are not analogous to the restrictions".***

The question is what are legal and business preference rules? As for the Examiner's reading of Cwener's is concern the legal and business rules of Cwener does not exclude legal or business restricts impose by the business entity or the legal authorities (such as: SEC, IRS, inside trading, CEO or board member of a company selling/buying has company stocks, restriction of selling premature stock option, converting preferred stocks to common stocks, selling preferred stock, illegal after trading, etc) and it is analogous art [also see col. 2

lines 42- 51 "The system also provides compliance means ... **proposed trade**" ... provide instructions regarding **stopping**, ..."; col. 9 **"IBM", "GE", "Alcoa"**] It is obvious this proposed trade is for a particular financial instrument (for example sector mutual funds) and [col. 1 lines 56-59 **"CompAlert"** ...] It is obvious a prior art **"CompAlert"** exist for monitoring **non-mutual funds** and it can be for any particular instruments stocks, bond, currency trading, etc.

*In response to applicant's argument regarding recitation the Examiner further asserts, "(c) accessing a compliance rule set identifying at least one compliance rule selected in accordance with a profile associated with the party [col. 10 lines 23-35 - "These external user ... permits users to access the central database ... inquiries ... receive ... whatever rules have been established with respect to a specific user"].*

In addition to reference of column 10, also, see the functions and architecture of the Cwener's system through out the disclosure [for example, col. 2 line 65 to col. 3 line 2; Figure 5 and corresponding description]. It is obvious that the compliance are compared with data/rules stored on the database and *the party* is the **"user", "he" or "she"** and the one compliance **"prohibited from purchasing a certain category of stocks"**, and compliance rule set **"first group of rules"**.

*In response to applicant's argument regarding recitation "(d) evaluating at least a portion of the rules in the compliance rule set using the retrieved restrictions to*

determine if the request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48].

The prior art "Cwener" does not exclude evaluating "at least a portion of the rules. With broadest interpretation of claimed limitation the evaluation claimed in step (d) is not patentable distinguished from what is disclosed by prior art. See col. 11 line 49-60 "In general, in **compliance evaluations**, such as with a mutual fund, ... **proposed transaction ... comparison of the information regarding proposed transaction ... make a determination as to ...** violates any rules ..." and col. 5 lines 22-26 "Among the functions of the central database are to store, **retrieve and manipulate** investment data, check security, **enforce constraints** (restrictions, limitations), ... queries, ... triggers ... define event". It would have been obvious at the time the invention was made to a person having ordinary skill in the art that the disclosure of Cwener evaluates the proposed transaction against the compliance rules by enforcing the constraints (restrictions) which are stored in the database.

Please note that the Applicant limitation includes an "if" statement, however, if the "if" condition is not satisfied the remaining process stops here and the process (program) exits and nothing follows which means no utility. This comment is true for "if" is not true in case of preamble.

***In response to applicant's argument regarding recitation "a list server".***

The claimed server is not patentable distinguished from the server platform with Oracle database disclosed by the prior art, and the database inherent tables and list of

records [see col. 7 lines 7-20 for database, SQL]. Further Oracle is one of a well-known database and widely used. Similarly SQL and PL\*SQL (query language), C, C++ (programming languages) are known and used from programming of embedded database software.

***In response to applicant's argument regarding recitation "output electronic message".***

Please read col. 6 line 56 through col. 7 line 6 "Microsoft Query is ... the resulting data is returned ... generating reports ... invention" and col. 12 lines 47-48 "The user would receive a record or report of compliance approval."

***In response to applicant's argument regarding recitation "official notice".***

a) Applicant has not provided any evidence that the official notice is incorrect. The Examiner suggests Applicant should order at least "Oracle8i Certified Professional - DBA Certification Exam Guide", Couchman et al., Oracle Press ISBN 0-07-213060-1, the book has 1156 pages and can not be copied (Personal copy of the Examiner purchase in 2001.) Informax-ESQL/C Embedded SQL for C, Programmer's Manual Version 7.1, from INFORMIX Press, 4100 Bohannon Dr., Menlo Park, Ca 94025.

b) The Examiner includes number of selected pages from Oracle8 Server Concepts (manuals), Release 8.0 in support of official notice in case Applicant can not buy/find old version8 of Oracle's book.

### ***Conclusion***

Claims 1-34 remain rejected.

The Examiner during prosecution has assumed: the limitation "instrument" is a "financial instrument", issuer is an entity such as: company or corporation which has issued the financial instrument or security and the party is an employee or any person or entity (investment bank, etc) which owns, trades the financial instrument and has a relation/interest with the issuer, without raising a USC 112 problem.

The knowledge disclosed by the disclosed references, and examiner's experience in software/hardware & DB "official notice", including other NPL such as: Coffy paper number 20061003, clearly show, that the claimed invention is not patentable distinguished from disclosed prior arts.

The Examiner clearly has establish a prima facie case of obviousness based on prior art which includes US patent, and

Applicant's Admitted prior art (APA) and disclosure of TCO as a prior art (see specification), which shows that the invention is an automation of existing APA (see paper number 20061003), and

non-patent literatures which discloses computer compliance programs and role of Merrill Lynch and Lehman Brothers compliance department and role of compliance

offices, also NPL "Typical Brokerage Firm Operations and Compliance Issues and Procedures.

Applicant is requested to provide any detail information of APA (compliance procedure manual and descriptions and role of TCO) which will help prosecution of this invention.

1. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T. Dass whose telephone number is 571-272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Abdi Kambiz can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Harish T Dass/  
Primary Examiner, Art Unit 3692

5/7/08